Order 2004-9-22

Served: September 23, 2004



UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Issued by the Department of Transportation on the 23rd day of September, 2004

Essential Air Service for

CLARKSBURG, MORGANTOWN, AND LEWISBURG, WEST VIRGINIA

Docket OST-2003-15886

under section 419 of the Federal Aviation Act of 1958, as amended

ORDER INSTITUTING A SLOT LOTTERY AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT

SUMMARY

By this order, the Department is directing the Federal Aviation Administration to institute a slot lottery at Ronald Reagan Washington National Airport (DCA) for six commuter slots originally made available under the terms of Civil Aeronautics Board (CAB) Order 84-12-86 for the purpose of serving the above captioned communities.

BACKGROUND

By CAB Order 84-12-86, issued December 24, 1984, the CAB selected Colgan Airways to provide Essential Air Service (EAS) between Clarksburg and Morgantown, West Virginia, and Washington National Airport (now Ronald Reagan Washington National Airport). As part of its decision, the CAB also directed the Regional Carrier Scheduling Committee for National Airport to allocate a total of six DCA arrival and departure slots to Colgan Airways to be used to support Clarksburg/Morgantown service.¹ Through a series of succeeding decisions, the Department modified EAS definitions and selected various carriers to serve Clarksburg and Morgantown using the six reserved DCA slots.² By Order 95-11-28, issued November 17, 1995, the Department eliminated EAS subsidy for all second-hub service, including the DCA-Clarksburg and Morgantown service. Nonetheless, the Department continued to hold the six DCA slots in reserve for Clarksburg/Morgantown service, and the then-incumbent Liberty Express/USAir Express

¹ Subsequently, the distinction between arrival and departure slots was removed. A slot can now be used for either a landing or a take-off.

² See, for example, Orders 90-2-10, 91-6-23, and 91-10-7.

(part of the Mesa Air Group) continued the service even after EAS subsidy was terminated. In the summer of 2001, the Federal Aviation Administration, in coordination with the Department's EAS staff, approved an exchange of slots between two carriers so as to permit two of the six Clarksburg/Morgantown slots to be used for service to Lewisburg, West Virginia, while the Clarksburg/Morgantown-DCA service was scheduled to be upgraded from 19-seat to 30-seat aircraft. In the aftermath of the terrorist attacks of September 11, all DCA service to Clarksburg, Morgantown, and Lewisburg was suspended and to date has not been resumed. By separate action, on April 10, 2003, due to non-compliance with its DCA use-or-lose slot requirements, the Federal Aviation Administration recalled the six DCA slots reserved for Clarksburg/Morgantown/Lewisburg service that had been operated by Mesa Air Group

prior to September 11.3 Those slots remain unused.

On August 7, 2003, the Department issued Order 2003-8-9 requesting long-term service proposals from carriers interested in serving Clarksburg, Morgantown, and/or Lewisburg to DCA. Proposals were due September 13, 2003, and we received none. Then, on August 31, 2004, nearly a year later, we received a letter from Colgan Airways proposing assignment of the unutilized six commuter slots to it so that it could provide three nonstop round trips a day between DCA and Charleston, West Virginia.

DECISION

We have decided to deny Colgan's request that it be directly assigned the six slots to serve the Charleston-DCA market, and, instead, to direct the FAA to conduct a DCA commuter slot lottery (in which Colgan and any other eligible carrier would be free to participate) to distribute the slots, subject to a condition that, under specified circumstances, the Department would recall the slots for Clarksburg, Morgantown, and/or Lewisburg service.

We have given all carriers sufficient opportunity to submit proposals to serve the DCA-Clarksburg, Morgantown, and/or Lewisburg markets, and none has. Colgan now proposes that, in the absence of such proposals, we make the slots available to serve other markets. We agree that these slots are a scarce commodity, and could be used to enhance access to DCA. Accordingly, we have decided to allow the allocation of these slots for use by carriers seeking to serve DCA with commuter aircraft from points other than Clarksburg, Morgantown or Lewisburg. Further, we order that they be distributed consistently with FAA regulations which require a lottery to distribute unused slots.

However, we remain cognizant that these slots have historically been intended for Clarksburg, Morgantown, and/or Lewisburg service to DCA. Accordingly, the slots will be subject to the condition that if a carrier comes forth at a later date with a specific and viable proposal to serve the DCA-Clarksburg, Morgantown, and/or Lewisburg markets, we would recall and reallocate the slots that had been won in the lottery 90 days after

³ The times and designations of the slots are DCA C 0095 (0700), DCA C 0173 (0900), DCA C 0005 (1400), DCA C 0162 (1400), DCA C 0143 (1900), and DCA C 0161 (1900).

conclusion of the proceeding we would be required to conduct to solicit proposals from other carriers then interested in serving those markets.⁴

Once the lottery is conducted, the winning carrier would have the normal amount of time to begin service (90 days from the date of the lottery for new entrants, 60 days for all others).

This order is issued under authority delegated in 49 C.F.R. § 1.56(a).

ACCORDINGLY,

- 1. The Department directs the Federal Aviation Administration to conduct a slot lottery for six DCA commuter slots that have been reserved for the provision of Essential Air Service at Clarksburg, Morgantown, and/or Lewisburg, West Virginia, subject to the conditions described in the text of this order;
- 2. This docket will remain open until further order of the Department; and
- 3. We will serve this order on all certificated air carriers, the Metropolitan Washington Airports Authority, the Mayors and airport managers of Clarksburg, Morgantown, and Lewisburg, West Virginia, and the Federal Aviation Administration's Slot Administration office.

By:

KARAN K. BHATIA

Assistant Secretary for Aviation and International Affairs

(SEAL)

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⁴ The Department's authority to reserve these slots for EAS derives from 14 CFR 93.223(a).